

Message Text

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ACTION EB-07

INFO OCT-01 IO-10 ISO-00 STR-04 L-03 FRB-01 OMB-01 TAR-01

SP-02 AGR-10 AID-05 CIAE-00 COME-00 INR-07 LAB-04

NSAE-00 OIC-02 SIL-01 TRSE-00 CIEP-02 CEA-01 PA-02

PRS-01 AF-06 ARA-10 EA-09 EUR-12 NEA-10 DODE-00

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TO SECSTATE WASHDC 6629

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UNCLAS SECTION 1 OF 2 GENEVA 8318

E.O. 11652: N/A

TAGS: UNCTAD EWWT

SUBJECT: UNCTAD-7TH SESSION OF CIFT-MARINE INSURANCE

SUMMARY: THE SESSIONAL COMMITTEE OF CIFT HAS APPROVED AND REFERRED TO PLENARY TWO RESOLUTION, ONE ON INSURANCE EDUCATION AND ONE ON MARINE CARGO INSURANCE. A THIRD RESOLUTION, ON MARINE INSURANCE AND LANDLOCKED COUNTRIES, WAS NOT CONSIDERED AND REFERRED TO THE 8TH CIFT. END SUMMARY.

1. SESSION COMMITTEE OF CIFT CONSIDERED THREE RESOLUTIONS, I.E. (A) MARINE INSURANCE IN LANDLOCKED COUNTRIES; (B) INSURANCE EDUCATION, AND (C) MARINE CARGO INSURANCE. SESSIONAL COMMITTEE DECIDED UNANIMOUSLY TO REFER RESOLUTION (A) TO 8TH SESSION OF CIFT AFTER FURTHER STUDY BY UNCTAD SECRETARY, AND APPROVED SECOND AND THIRD RESOLUTIONS FOLLOWING DETAILED CONSIDERATION WITHIN GROUP B AND HARD NEGOTIATIONS BETWEEN GROUP B AND 77.

2. THE FOLLOWING IS THE TEXT OF THE RESOLUTION ON INSURANCE EDUCATION: QUOTE RECALLING RESOLUTION 7 (VI)

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ON REINSURANCE AND DECISION 8 (VI) ON TRAINING IN THE

FIELDS OF INSURANCE AND REINSURANCE ADOPTED AT ITS SIXTH SESSION ON 13 JULY 1973, REQUESTING THE UNCTAD SECRETARIAT TO TAKE THE NECESSARY STEPS TO PREPARE EXPEDITIOUSLY AND IMPLEMENT, TO THE EXTENT POSSIBLE AND WITHIN THE FUNDS AVAILABLE FOR THIS PURPOSE, A DETAILED PROGRAMME THAT WILL MEET THE NEEDS OF DEVELOPING COUNTRIES FOR THE EDUCATION AND TRAINING OF A SUFFICIENT NUMBER OF QUALIFIED PERSONNEL IN THE FIELDS OF INSURANCE AND REINSURANCE: TAKING NOTE WITH GREAT INTEREST AND APPRECIATION OF THE EFFORTS MADE BY MANY COUNTRIES-DEVELOPING AND DEVELOPED-IN THE FIELD OF PERSONNEL TRAINING IN INSURANCE AND OF THE REPORT BY THE UNCTAD SECRETARIAT ON INSURANCE EDUCATION FOR THE DEVELOPING COUNTRIES (DOCUMENT TD/B/C.3/121) AND ON THE ANALYTICAL STUDY WHICH COMPLEMENTS THE REPORT; NOTING FURTHER THE DISCUSSIONS ON THE SUBJECT OF INSURANCE EDUCATION IN THE SESSIONAL COMMITTEE SET UP TO DEAL WITH THE ITEM OF INSURANCE, 1) CONSIDERS THAT THE AFOREMENTIONED REPORT BY THE UNCTAD SECRETARIAT PROVIDES VALUABLE EXPERTISE AND GUIDANCE AS TO HOW THE NEEDS OF DEVELOPING COUNTRIES FOR INSURANCE EDUCATION COULD BE MET, (2) AGREES IN PRINCIPLE WITH THE CONCLUSIONS OF THE REPORT AND AUTHORIZES THE UNCTAD SECRETARIAT TO INITIATE IMMEDIATE ACTION WITH A VIEW TO ASSIST DEVELOPING COUNTRIES TO IMPLEMENT THE PROPOSED EDUCATIONAL STRATEGY, (3) RECOMMENDS THAT DEVELOPING COUNTRIES PARTICIPATE TO THE FULLEST POSSIBLE EXTENT IN THE SETTING UP OF THE PROPOSED EDUCATIONAL PROGRAMMES WITH THE FULLEST CO-OPERATION OF REGIONAL INSURANCE INSTITUTES, ESPECIALLY IN MIDDLE LEVEL TRAINING, (4) RECOMMENDS THAT INTERNATIONAL ORGANIZATIONS, INCLUDING INTERNATIONAL FINANCIAL ORGANIZATIONS AND THE UNDP, AND THE DEVELOPED COUNTRIES, AS WELL AS OTHER COUNTRIES IN A POSITION TO DO SO, GIVE THE NEW PROGRAMMES AND THOSE ALREADY IN EXISTENCE THEIR FULLEST POSSIBLE SUPPORT IN THE FORM OF TECHNICAL AND FINANCIAL ASSISTANCE CONSONANT WITH THE NEEDS OF THE DEVELOPING COUNTRIES CONCERNED. UNQUOTE

3. THE FOLLOWING IS THE TEXT OF THE RESOLUTION ON MARINE CARGO INSURANCE: QUOTE RECALLING RESOLUTION 42(III) ON UNCLASSIFIED

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INSURANCE AND REINSURANCE ADOPTED BY THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT ON 17 MAY 1972, IN WHICH IT IS AGREED, INTER ALIA, THAT DEVELOPING COUNTRIES SHOULD TAKE STEPS TO ENABLE THEIR DOMESTIC INSURANCE MARKETS TO COVER THESE MARKETS-TAKING INTO ACCOUNT THEIR NATIONAL ECONOMIC INTERESTS AS WELL AS THE INSURED INTERESTS-THE INSURANCE OPERATIONS GENERATED BY THEIR ECONOMIC ACTIVITIES, INCLUDING THEIR FOREIGN TRADE, AS

FAR AS TECHNICALLY FEASIBLE, RECALLING FURTHER THE RECOMMENDATION IN PARAGRAPH 3(A) OF THE CONFERENCE RESOLUTION 42(III) THAT GOVERNMENTS OF DEVELOPED COUNTRIES SHOULD, TO THE FULLEST EXTENT POSSIBLE, BRING TO THE ATTENTION OF THEIR INSURANCE AND REINSURANCE INSTITUTIONS THE NEED TO CONTINUE THEIR EFFORTS TO PROVIDE DEVELOPING COUNTRIES WITH THE NECESSARY COVER ON THE MOST APPROPRIATE TERMS AND CONDITIONS AND AT THE LOWEST COST COMMENSURATE WITH THE RISKS INVOLVED WITH DUE REGARD TO SOUND UNDERWRITING PRINCIPLES GIVING ADEQUATE PROTECTION TO POLICY-HOLDERS; SUCH EFFORTS WOULD HAVE A SPECIAL IMPORTANCE FOR DEVELOPING COUNTRIES IN VIEW OF THE EFFECTS OF INSURANCE AND REINSURANCE TRANSACTIONS ON THEIR ECONOMIES, RECOGNIZING THAT THE ECONOMY OF MOST DEVELOPED COUNTRIES DEPENDS HEAVILY ON FOREIGN TRADE, AND THAT THE PRESENT CONDITIONS IN THE FIELD OF MARINE CARGO PREVAILING IN MOST DEVELOPING COUNTRIES ARE NOT QUITE SATISFACTORY, OWING TO THE PRESENT TRADE PRACTICES IN THESE COUNTRIES, AND RESULT IN A HEAVY OUTFLOW OF SUCH INSURANCE BUSINESS THUS CONSTITUTING A BURDEN ON THE BALANCE OF PAYMENTS OF THE DEVELOPING COUNTRIES IN QUESTION, TAKING NOTE WITH GREAT INTEREST AND APPRECIATION OF THE STUDY BY THE UNCTAD SECRETARIAT ON MARINE CARGO INSURANCE (TD/B/C.3/120) IN THE PREPARATION OF WHICH MARINE INSURANCE EXPERTS FROM VARIOUS COUNTRIES RENDERED THEIR ASSISTANCE, NOTING FURTHER THE DISCUSSIONS ON THE SUBJECT OF MARINE CARGO INSURANCE IN THE SESSIONAL COMMITTEE SET UP TO DEAL WITH THE ITEM OF INSURANCE, (1) CONSIDERS THAT THE AFOREMENTIONED STUDY BY THE UNCTAD SECRETARIAT PROVIDES VALUABLE EXPERTISE AND GUIDANCE AS REGARDS THE PROBLEMS FACING THE DEVELOPING COUNTRIES IN THE FIELD OF MARINE CARGO INSURANCE AND WAYS AND MEANS BY WHICH THESE PROBLEMS

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LEMS COULD BE SOLVED, (2) RECOMMENDS THAT DEVELOPING COUNTRIES ADOPT SUCH MEASURES AS ARE SUGGESTED IN THE STUDY AS MAY BE APPROPRIATE IN THEIR INDIVIDUAL CIRCUMSTANCES. (3) ENDORSES THE UNCTAD CONCLUSION THAT MAINTAINING THE PRESENT SYSTEM OF CARGO INSURANCE IS ESSENTIAL AND CANNOT BE DISPENSED WITH AND THAT ANY RADICAL SHIFT IN RISK ALLOCATION FROM CARGO INSURANCE TO CARRIER'S LIABILITY WOULD BE PARTICULARLY DETRIMENTAL TO THE INTERESTS OF DEVELOPING COUNTRIES, (4) EXPRESSES INTEREST IN THE MEASURES ALREADY TAKEN IN THIS FIELD BY A NUMBER OF DEVELOPING COUNTRIES AND INVITES THOSE COUNTRIES TO KEEP THE UNCTAD SECRETARIAT INFORMED OF THESE MEASURES AND THE RESULTS OBTAINED SO THAT THE INFORMATION SO RECEIVED CAN BE MADE AVAILABLE TO OTHER INTERESTED DEVELOPING COUNTRIES, (5) RECOG-

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INFO OCT-01 IO-10 ISO-00 STR-04 L-03 FRB-01 OMB-01 TAR-01

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NSAE-00 OIC-02 SIL-01 TRSE-00 CIEP-02 CEA-01 PA-02

PRS-01 USIA-15 DODE-00 DOTE-00 FMC-02 CG-00 OFA-01

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AFOREMENTIONED SUGGESTIONS, CONSIDERABLE SKILL AND EXPERTISE ARE REQUIRED FOR WHICH REASON APPROPRIATE STEPS SHOULD BE TAKEN TO PROVIDE EDUCATION AND TRAINING TO STAFF WORKING IN MARINE CARGO UNDERWRITING AND CLAIM ADJUSTMENT IN DEVELOPING COUNTRIES, (6) RECOMMENDS THAT DEVELOPING COUNTRIES MAKE USE OF THE SUBSTANTIVE COMPETENCE OF UNCTAD TO PROVIDE TECHNICAL ASSISTANCE IN THE FIELD OF PROMOTION OF MARINE CARGO INSURANCE, IN ACCORDANCE WITH ITS RESPONSIBILITIES AND IN CONFORMITY WITH ITEM 3(G) OF RESOLUTION 42(III) OF UNCTAD.

(7) RECOMMENDS TO DEVELOPED COUNTRIES THAT THEY ASSIST AND CONTINUE TO SUPPORT DEVELOPING COUNTRIES IN THEIR EFFORTS TO DEVELOP THEIR DOMESTIC MARINE CARGO INSURANCE MARKETS PARTICULARLY BY PUTTING AT THEIR DISPOSAL THE EXISTING INTERNATIONAL MARINE INSURANCE FACILITIES. FURTHERMORE, RECOGNIZING THE ECONOMIC PROBLEMS OF THE DEVELOPING COUNTRIES IT WOULD BE APPRECIATED WHERE POSSIBLE AND TECHNICALLY FEASIBLE THAT INSURANCE ON EXPORTS FROM DEVELOPING COUNTRIES BE PLACED IN THEIR OWN MARKETS.

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4. BOTH TEXTS SEEM TO BE WELL WITHIN US DELEGATION INSTRUCTIONS. FINAL CONSIDERATION TO THE RESOLUTIONS WILL TAKE PLACE AT PLENARY SESSION SCHEDULED MORNING OF NOVEMBER 7.

5. DURING COURSE OF MEETING, UNCTAD SECRETARIAT PRESENTED PAPER "DEVELOPMENTS OF INSURANCE IN DEVELOPING COUNTRIES" WHICH HIGHLY BIASED AGAINST GROUP B COUNTRIES. GROUP B WAS ABLE TO OBTAIN CORRECTIVE STATEMENT FOR THE RECORD FROM THE SECRETARIAT BY MEANS OF INFORMAL NEGOTIATIONS AND A COMMITMENT TO AVOID SUCH DISTORTIONS IN THE FUTURE.

6. COMMENT: THE RESOLUTION ON MARINE INSURANCE AND LANDLOCKED COUNTRIES WAS DRAFTED BY BOLIVIAN DEL AND CONTAINED SUGGESTIONS FOR ESTABLISHMENT OF FUND TO HELP DEFRAY ADDITIONAL COST OF INSURANCE TO LANLOCKED COUNTRIES. WHILE G-77 INTRODUCED RESOLUTION PRO FORMA THERE WAS OBVIOUSLY ALMOST NO SUPPORT FOR RESOLUTION. DALE

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Disposition Event:
Disposition History: n/a
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Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006